

JAN 18 2019

A BILL FOR AN ACT

RELATING TO ADVERTISING AND MARKETING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. (a) The department of business, economic
2 development, and tourism, in consultation with the department of
3 agriculture, shall conduct a study to assess the impacts of
4 companies selling products in the United States using place-
5 based marketing without any material ties to the State,
6 including:

7 (1) A calculation of the resultant gross domestic product
8 lost due to the non-sale of Hawaii-grown fresh foods
9 and consumer packaged goods that comply with section
10 486-119, Hawaii Revised Statutes; and

11 (2) The economic impact on Hawaii's agricultural community
12 and local businesses actually based in the State or
13 using Hawaii-grown ingredients.

14 (b) The study shall include recommended solutions to
15 enable the State to protect itself from economic exploitation
16 and protect consumers against dishonest or misleading marketing.



(c) For the purposes of this Act, the following definitions shall apply:

"Gross domestic product" shall mean the total taxable sales revenues from the alleged Hawaiian products or consumer packaged goods generated by companies exploiting the Hawaii brand.

"Material ties" shall mean an ingredient or ingredients that are grown or sourced in the State and marketed as explicitly derived from the State.

"Place-based marketing" includes but is not limited to the name of any Hawaiian island or district, or marketing the product as "Hawaiian".

(d) The department of business, economic development, and tourism shall submit a report of findings and recommendations resulting from the study, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2020.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2019-2020 for the department of business, economic development, and tourism, in consultation with the department of agriculture, to conduct a



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1 study to assess the impacts of companies selling products in the
2 United States using place-based marketing without any material
3 ties to the State.

4 The sum appropriated shall be expended by the department of
5 business, economic development, and tourism for the purposes of
6 this Act.

7 SECTION 3. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

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S.B. NO. 763

Report Title:

Department of Business, Economic Development, and Tourism;
Department of Agriculture; Study; Report; Economic Impact;
Marketing; Appropriation

Description:

Requires the department of business, economic development, and tourism, in consultation with the department of agriculture, to conduct a study calculating the economic impact and gross domestic product lost by the State as a result of companies exploiting the Hawaii brand and selling products in the United States using place-based marketing without any material ties to the State. Appropriates funds for the study.

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